



**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

June 9, 2010

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#64 JUNE 9, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**ADOPT RESOLUTION APPROVING THE REFUNDING OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR ROWLAND HEIGHTS APARTMENTS IN
UNINCORPORATED ROWLAND HEIGHTS
(FOURTH DISTRICT) (3 VOTES)**

SUBJECT

This letter recommends issuance of fixed interest rate Multifamily Housing Mortgage Revenue Refunding Bonds to refund prior variable interest rate bonds and to provide financing for additional rehabilitation for Rowland Heights Apartments, a 144-unit multifamily development located at 1945 Batson Avenue in unincorporated Rowland Heights.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt and instruct the Chair to sign a resolution approving the issuance of Multifamily Housing Mortgage Revenue Refunding Bonds by the Housing Authority of the County of Los Angeles, as required under Section 147(f) of the Internal Revenue Code of 1986, in an aggregate amount not to exceed \$7,690,000 in tax-exempt bonds to refund the existing bonds at the Rowland Heights Apartments, a 144-unit multifamily development in unincorporated Rowland Heights.
2. Find that approval and authorization of the issuance of Multifamily Housing Mortgage Revenue Refunding Bonds is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The issuance, sale and delivery of Multifamily Housing Mortgage Revenue Refunding Bonds will allow the Rowland Heights Preservation Limited Partnership (Developer) to pay off the existing variable interest rate tax-exempt bonds and replace the expiring letter of credit with fixed interest rate tax-exempt bonds. This action will allow the bonds to continue to qualify for a tax exemption under Section 103 of the Internal Revenue Code of 1986.

FISCAL IMPACT/FINANCING

No County costs will be incurred. The Developer will repay the bonds solely through rent revenues, and will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On August 9, 2000, the Housing Authority issued Multifamily Housing Mortgage Revenue Bonds to finance, acquire, and rehabilitate the Rowland Heights Apartments. This 144-unit multifamily rental housing development has a minimum of 20% of the units set aside for households with incomes up to 50% of the area median income (AMI) for the Los Angeles-Long Beach Statistical Area (MSA), adjusted for family size, as defined by the U.S. Department of Housing Development. The affordability requirements remain in effect for a minimum of 55 years.

The issuance of new tax-exempt bonds in the amount of \$7,690,000 will allow the Developer to pay off the existing variable interest rate bonds and replace the existing letter of credit. The maturity date on the new bonds will extend the affordability of the project for five additional years, from August 1, 2030 to August 1, 2035.

The issuance of new taxable bonds in the amount of \$2,150,000 will allow the Developer to make additional improvements to the property.

On May 21, 2010, the Housing Authority conducted a hearing at its office located at 2 Coral Circle in Monterey Park, regarding the refunding of multifamily bonds for the development, pursuant to Section 147(f) of the Internal Revenue Code. No comments were received at the public hearing concerning the refunding of the bonds or the nature and location of the project.

The attached resolution was prepared by Orrick, Herrington & Sutcliffe, LLP, Housing Authority Bond Counsel, and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from the provisions of CEQA, pursuant to State CEQA Guidelines 15301, because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES

Adoption of the resolution will authorize the issuance of the refunding bonds and enable the Developer to replace the expiring letter of credit and pay off the existing variable interest rate tax-exempt bonds with fixed interest rate tax-exempt bonds. The additional taxable bonds will allow the Developer to make necessary improvements to the property.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", followed by a horizontal line extending to the right.

SEAN ROGAN
Executive Director

Enclosures

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES APPROVING THE ISSUANCE OF MULTIFAMILY HOUSING
REVENUE REFUNDING BONDS AND RELATED ACTIONS

WHEREAS, the Housing Authority of the County of Los Angeles (the “Authority”) has issued revenue bonds in order to assist in the financing of the acquisition and rehabilitation of a multifamily rental housing development consisting of 144 units located in 1945 Batson Avenue in the Rowland Heights area of unincorporated Los Angeles County known as “Rowland Heights Apartments” (the “Project”), owned by Rowland Heights Preservation Limited Partnership, a California limited partnership; and

WHEREAS, the Authority intends to adopt a plan of financing to sell and issue multifamily housing revenue refunding bonds in one or more series issued from time to time, and at no time to exceed \$7,690,000 in outstanding aggregate principal amount (the “Bonds”), in order to assist in refinancing the acquisition and rehabilitation of the Project; and

WHEREAS, pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the “Code”), the Bonds are required to be approved prior to their issuance by the applicable elected representative of the governmental unit on whose behalf the bonds are expected to be issued and by each governmental unit having jurisdiction over the area in which any facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the interest on the Bonds may qualify for exclusion from gross income under Section 103 of the Internal Revenue Code of 1986 (the “Code”), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, the Project is located wholly within the County of Los Angeles, California; and

WHEREAS, this Board of Supervisors is the elected legislative body of the County and is the applicable elected representative of the Authority within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the Housing Authority of the County of Los Angeles has, following notice duly given, held a public hearing regarding the issuance of such Bonds on May 21, 2010, and now desires that the Board of Supervisors approve the issuance of such Bonds; and

WHEREAS, this Board hereby finds and declares that this resolution is being adopted pursuant to the powers granted by law;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. This Board of Supervisors hereby approves the issuance of the Bonds by the Authority to refinance costs of the Project. It is the purpose and intent of this Board of Supervisors that this Resolution constitute approval of the Bonds by the applicable elected representative of the issuer of the Bonds and the applicable elected representative of the governmental unit having jurisdiction over the area in which the Project is located, in accordance with Section 147(f) of the Code.
3. The proper officers of the Authority are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable, provided that the terms and conditions under which the bonds are to be issued and sold shall be approved by the Board of Commissioners of the Authority in the manner provided by law prior to the sale thereof.
4. The Executive Officer-Clerk of the Board of Supervisors or a deputy thereof is directed to certify and deliver a copy of this Resolution to the Authority.
5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles,
State of California, this 9th day of JUNE, 2010, by the following vote:

AYES: MARK RIDLEY-THOMAS, ZEV YAROSLAVSKY, DON KNABE, AND GLORIA MOLINA

NOES: NONE

ABSENT: MIKE ANTONOVICH

ABSTAIN: NONE

By Gloria Molina
Chair of the Board of Supervisors

ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: Sachi A. Hamai
Deputy



APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: Behrez Jashakman
Deputy